

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, January 27 to Wednesday, February 3 (the Report Week), during which the Henry Hub spot price rose from \$2.71 per million British thermal units (MMBtu) to \$2.91/MMBtu.

-At the New York Mercantile Exchange (Nymex), the February 2021 natural gas futures contract expired January 27 at \$2.760/MMBtu. The March 2021 contract price increased to \$2.789/MMBtu, up 9¢/MMBtu for the Report Week. The price of the 12-month strip averaging March 2021 through February 2022 futures contracts climbed 4¢/MMBtu to \$2.933/MMBtu.

-Net natural gas withdrawals from storage totaled 192 Bcf for the week ending January 29, compared with the five-year (2016-2021) average net withdrawals of 146 Bcf and last year's net withdrawals of 155 Bcf during the same week. Working natural gas stocks totaled 2,689 Bcf, which is 198 Bcf (8%) more than the five-year average and 41 Bcf (2%) more than last year at this time.

-Natural gas demand rose for the Report Week with increased demand for space heating. Total US consumption of natural gas rose by 2.5% compared with the previous report week, according to data from IHS Markit. On January 28, total consumption reached nearly 124 Bcf/d, the highest level so far this winter. Natural gas consumed for power generation climbed by 3.1% week over week. In the residential and commercial sectors, consumption increased by 2.8%. Industrial sector consumption increased by 1.3% week over week. Natural gas exports to Mexico decreased 5.6%. Natural gas deliveries to U.S. liquefied natural gas (LNG) export facilities (LNG pipeline receipts) averaged 10.9 Bcf/d, or 0.88 Bcf/d higher than last week.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 38¢/MMBtu, averaging \$7.51/MMBtu for the week ending February 3. The prices of natural gasoline, propane, butane, isobutane, and ethane all rose, by 3%, 3%, 5%, 8%, and 11%, respectively.

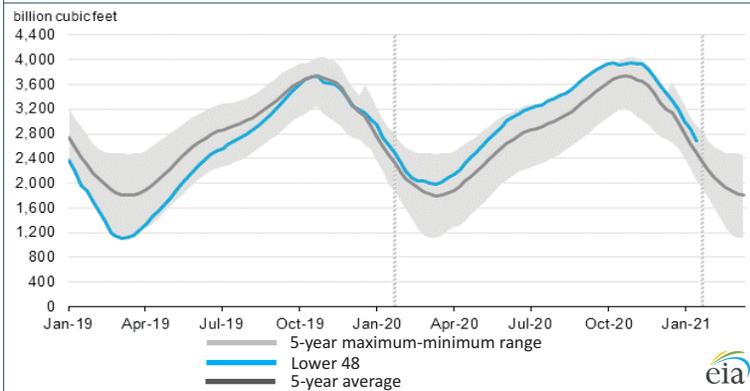
-According to Baker Hughes, for the week ending Tuesday, January 26, the natural gas rig count remained flat at 88. The number of oil-directed rigs rose by 6 to 295. The total rig count increased by 6, and it now stands at 384.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Mar 2020 - Feb 2021:



Working natural gas in underground storage as of January 29, 2021



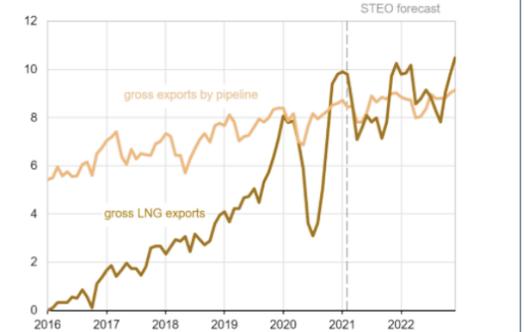
Forward 12-month NYMEX natural gas strip price - Mar21-Feb22:

Process Load-weighted \$2.933/dth - w/o/w = ▲\$0.036
 Typical Heat Load-weighted \$2.943/dth - w/o/w = ▲\$0.039

US LNG exports exceed natural gas exports by pipeline:

In November 2020, monthly US exports of liquefied natural gas (LNG) exceeded natural gas exports by pipeline by nearly 1.2 billion cubic feet per day (Bcf/d). Previously, this has happened only once since 1998, in April 2020. Preliminary estimates for December 2020 and January 2021 suggest a continuation of this trend. In November and December 2020, and January 2021, US LNG exports set three consecutive monthly records. It is forecast that US LNG exports will exceed natural gas exports by pipeline in the first and fourth quarters of this year and on an annual basis in 2022, as global natural gas and LNG demand recover to pre-COVID-19 levels. Since November 2020, all six US LNG export facilities have been operating near full design capacity. During this period, monthly US LNG export volumes were almost three times higher than the monthly export volumes in the summer months of 2020. The recent significant increase in US LNG exports has been driven by rising international natural gas and LNG prices, particularly in Asia, following a sustained period of significantly-below-normal temperatures in the key LNG-consuming countries in northeast Asia, as well as reduced global LNG supply caused by unplanned outages at several LNG export facilities worldwide. US gross exports by pipeline to Mexico and Canada also grew in 2020, averaging 3% more in the first 11 months of the year. Although pipeline exports to Canada declined by 5% in the first 11 months of 2020, US pipeline exports to Mexico grew during the same period once the final segment of the pipeline system connecting the US Permian Basin in West Texas with Mexico's central-western Guadalajara region was brought online. Completion of the second phase of the Cempoala compressor station in the state of Veracruz in September 2020 has increased natural gas flows from southeast Texas via Sur de Texas-Tuxpan underwater pipeline into Mexico's southern states on the Yucatan peninsula and in the central region.

U.S. monthly natural gas pipeline and LNG exports (Jan 2016–Dec 2022)



Excerpted from 

“Given a choice between a hypothesis and an experience, go with the experience.” -Gary Taubes¹